

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### Huron Tool & Engineering Co

Michigan Manufacturing Technology Center

#### Huron Tool & Engineering Co. Improves Bottom Line Results with Lean

##### Client Profile:

Huron Tool & Engineering Co., located in Bad Axe, Michigan is a full-service precision machine shop, making custom-per-print parts in a low to medium-volume production for aerospace, nuclear, machine tool, oil field, and the automotive and off road aftermarket. The company employs 54 people.

##### Situation:

Huron Tool was experiencing slow growth and struggling to meet due dates. The Center for Manufacturing Improvement (CMI), a regional office of the Michigan Manufacturing Technology Center (MMTC), a NIST MEP network affiliate, contacted the company to discuss some of the training CMI could offer to help promote increased efficiencies, delivery time improvements, and improved bottom line results. Prior to those presentations, Huron Tool had never sought any outside training. The situation at that time led Huron Tool to bring in needed expertise and assistance from outside the organization.

##### Solution:

MMTC provided a Lean Executive workshop for company employees to learn about Lean, identify wastes, and how process improvements can be a cost effective method of speeding throughput. Huron then sent several employees for Lean Champion training. The Lean champions provided a Kaizen event to get all the work in the shop to flow one direction. Twelve to 15 tons of scrap was cleaned out of the shop in a shop-wide 5S (Sort, Set in Order, Shine, Standardize, Sustain) effort. Huron implemented the principles of Lean in both the plant operations and the administrative activities. Through total Lean efforts, Huron was able to take 3 to 5 days off the lead time from the office Kaizen and another 5 days off from the plant Kaizen, leading to an average reduction of 9 days from order to delivery. This has enabled Huron to improve its throughput more than 30 percent. After CMI explained the importance of management to the company and extolled the benefits of Activity-Based Costing (ABC) for quoting and monitoring those costs, Huron management started to take a hard look at profitability and the benefits of ABC. "We learned that after going through ABC you will not just immediately start to be more profitable, but you will learn in great detail what your true costs are," said Nugent, "We now look at quoting three different ways and feel we have a better understanding of where our costs are than we ever had before." Huron felt confident about their progress as a company and wanted to increase sales. MMTC trained Huron in Market Diversification, enabling the company to move into new industries. As a result of MMTC's assistance, Huron was able to penetrate the oil field and drilling industry and begin a relationship with several Texas companies. Huron Tool established an additional business of tube welding and assembly during this time period, and established itself in another new industry, off-road four-wheeler aftermarket exhaust systems.

##### Results:

[www.mep.nist.gov](http://www.mep.nist.gov)



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- \* Increased sales by 35 percent.
- \* Increased throughput by 30 percent.
- \* Eliminated 9 days of lead time.
- \* Achieved a more competitive and profitable position.

#### **Testimonial:**

"We would not be so optimistic if we hadn't gone through all the improvements that we have learned through the services that MMTC and CMI have provided."

Dave Nugent, General Manager